

NEW YORK
POST

E - 628,146

MAR 24 1969

Approved For Release 2000/05/24 : CIA-RDP75-00001R000100040065-2
CPYRIGHT

FOIAb3b

The Peace Corps' New Chief and the CIA

FOIAb3b

FOIAb3b

By WARREN HOGE

New York Post Correspondent

WASHINGTON — The South American slum project founded by President Nixon's appointee to head the Peace Corps, Joseph H. Blatchford, was blackballed by the Peace Corps two years ago on the assumption—apparently mistaken—that it was financed by CIA money.

Peace Corps volunteers in Venezuela were instructed by the Washington office in March, 1967, that they were to have no further dealings with representatives of Blatchford's project, ACCION (American for Community Cooperation in Other Nations).

At the time, the Peace Corps and ACCION were cooperating in training volunteers for community development in Caracas. Then word came to the corps director in Venezuela, Henry Wheatley, that all contact was to end.

From that point on, even phoned messages from ACCION representatives to the Peace Corps went unheeded.

Reached at his home in Caracas, Wheatley denied the report. "I know of no breakdown of any kind," he said.

Other sources, from both sides of the issue, corroborated the account.

The move came at a time of high controversy over exposures of CIA involvement in domestic institutions. The Peace Corps, highly sensitive from its inception to attempt at subversion of its purpose by the American intelligence community, had an acute reaction to the development.

Though it is not clearly established why the Corps singled ACCION in its campaign to keep its own program sanitized, several features of Blatchford's might have drawn their suspicion.

First, ACCION was funded in large part by American businesses based in Venezuela. Among the foundations supporting it were several which regularly backed highly conservative and often right wing fringe of

Another foundation backing ACCION, the Ottinger Foundation, had marginally implicated in the exposure of CIA conduits while a third, the American Institute for Free Labor development, the AFL-CIO's labor training program in Latin America, had often been accused of collaboration with the CIA.

CIA Conduit

Perhaps the most suspicious appearing organization giving grants to ACCION was the William H. Donner Foundation. In truth, however, the foundation was only one arm of a larger foundation of the same name, and it was unconnected with the CIA.

The parents group's other arm, the independence foundation, was a well-known conduit between the CIA and the National Student Association. Peace Corps investigators may

have missed this distinction and taken action against ACCION as a consequent.

Peace Corps anxiety over possible CIA contamination arose at the outset of former director Sargent Shriver's tenure. Conscious that Communist propaganda would cast the Peace Corps as a spy operation to discredit it, he secured from President Kennedy a verbal agreement that agents would be barred from mixing with the volunteers or involving themselves with the corps in any way.

Kennedy followed this up by ordering CIA head Allen Dulles and later, his successor, John McCone, to make sure the agreement was kept by the agency.

Even with this assurance, Shriver set up his own intelligence unit to guard against the incursion of agents into his ranks.

According to the executive director of ACCION, Terry Holcumbe, his group was equally vigilant. He said that as a privately funded group, ACCION was particularly suspect and that it therefore overcompensated for its lack of CIA contamination.

ACCION staff and peace corps volunteers work together now in community development work in Venezuela. The intrigue of March, 1967, is apparently over.

Blatchford, 34, started the program in Venezuela in September, 1961, with 30 volunteers.

He is a Republican and ran unsuccessfully for Congress last fall in California. He is expected to gain easy confirmation and succeed Jack Hood Vaughan, becoming third director of the Peace Corps.

Approved For Release 2000/05/24 : CIA-RDP75-00001R000100040065-2